



Brownfields Cleanup Revolving Loan Fund Pilot

Dallas, TX

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

The City of Dallas is located in the north central region of Texas. More than 50 percent of Dallas' population is minority, and the city has an unemployment rate of almost 12 percent. Nineteen percent of the Dallas population is living below the poverty level. Some of the city's major brownfields areas have unemployment rates of 22 to 25 percent. Several thousand sites in Dallas have been identified as having potential, or already determined, environmental problems. In particular, the central business district and the surrounding neighborhoods have many acres of potential brownfields. There are approximately 5,300 vacant commercial buildings in Dallas.

BCRLF OBJECTIVES

The goal of the Dallas BCRLF Pilot is to fund the cleanup of the city's brownfields and supplement the city's Brownfields Program. In addition to fostering brownfields cleanup and helping stimulate economic development, the BCRLF funds will in turn strengthen Dallas's neighborhoods, encourage business and job growth, and increase city tax revenues. To help implement the BCRLF Pilot, the city will rely on a number of standard operating procedures, documents, and systems developed by the Dallas Brownfields

PILOT SNAPSHOT



Dallas, Texas

Date of Award:
September 1997

Amount: \$350,000

BCRLF Target Area :
Brownfields sites throughout
Dallas, particularly those in the
central business district and
surrounding neighborhoods.

Contacts:

Dallas Economic
Development Department
(214) 670-1685

Regional Brownfields Team
U.S. EPA - Region 6
(214) 665-6736

Visit the EPA Region 6 Brownfields web site at:
<http://www.epa.gov/earth1r6/6sf/bfpages/sfbfhome.htm>

For further information, including specific Pilot contacts,
additional Pilot information, brownfields news and events, and
publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

Forum, a city-wide representative citizen, industry, and regulatory advisory committee.

FUNDSTRUCTUREANDOPERATIONS

Dallas plans to provide revolving fund gap financing for brownfields cleanup using the \$350,000 in EPA BCRLF funds and \$350,000 in city funds, for a total of \$700,000. The city will also provide in-kind contributions to cover many of the administrative expenses of implementing the loan fund. The city's Economic Development Department (EDD) will serve as Lead Agency, in-house Fund Manager, and Site Manager. Further, the city will partner with a third party (e.g., a financial institution or trust department) to serve as the day-to-day Fund Manager that will be responsible for structuring loan agreements, collateral agreements, record keeping, loan disbursements, tracking and repayment instruments. In an effort to leverage funds and to induce the borrowers to complete the projects, borrowers will be strongly urged, and may be required, to purchase two forms of environmental insurance—excess cleanup cost and third party liability protection. In addition to this environmental insurance protection, the city will require performance bonding by the environmental consultants conducting the cleanup activities. The cap for the BCRLF loans is expected to be \$100,000 for each loan. Prospective borrowers will be encouraged, and may be required, to enter the Texas Natural Resource Conservation Commission (TNRCC) Voluntary Cleanup Program.

LEVERAGINGOTHERRESOURCES

In addition to the city's contribution of \$350,000 to the BCRLF, additional efforts will continue to develop a larger pool of resources. The city is working with the Small Business Administration (SBA), several financial institutions, and the TNRCC to leverage the BCRLF. Although the Small Business Administration, lending institutions, and non-profit development corporations will not finance environmental cleanup, they will work hand-in-hand with a cleanup loan fund to provide complementary real estate, minority training, and business start-up loans. Dallas currently offers a set of incentives known as the city's Public/Private Partnership Program. For example, the city's tax abatement policy seeks to direct growth to the city's Enterprise Zones.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
